[Mr. A. Lakshminarayana Ayyar.]

25. *Education.* Besides the usual liberal provision for primary and secondary education, the Education budget for the next year provides for the grant of a contribution of about Rs 9 lakhs to the Travancore University. The House may be interested to be told in this connection that provision has been made for the participation by the University in the Indian Science Congress, the organisation of a University Library and the starting of a department of statistics. The Research Department of the University is continuing to do its useful work in various directions. Experiments on the production of *Agar-agar*, a preliminary survey for iron ores by magnetic technique in the taluk of Kunnatnad and the preparation of glue from the fleshings obtained from tanneries and the production of gypsum as a by-product of the salt industry are some of the new fields of activity of the Research Department.

26. The total expenditure charged to revenue in the next year will amount to Rs 327·79 lakhs resulting in a surplus of Rs 57·75 lakhs. As already alluded to, Rs 9 lakhs out of this surplus representing the income received by the levy of tax on agricultural income will be transferred to the Revenue Reserve Fund and the balance of Rs 48·75 lakhs will be credited to the 'Post-war Reconstruction Fund.' At the end of next year we thus expect a credit of Rs 129·59 lakhs in the Post-War Reconstruction Fund and Rs 56·23 lakhs in the Revenue Reserve Fund which is not inconsiderable.

Capital Expenditure.

27. The next year's programme of capital expenditure includes a provision of Rs 60·65 lakhs which is very nearly double the provision for the current year and in excess of the revised estimates by Rs 24·20 lakhs. The important variations are :—

28. *Water Supply Schemes.* As most of the major water-supply schemes already taken on hand are either completed or are ne ring completion, a reduced provision of Rs 1·06 lakhs only has been made for the next year under this head, as against the revised estimate of Rs 2·04 lakhs for the current year. The provision made is mainly for the final settlement of the liabilities outstanding in the case of some of the schemes already completed and for finishing the work yet awaiting completion.

29. *Drainage Scheme.* The sewering works held up due to difficulty in obtaining materials and labour, construction of manholes, lampholes, drops, &c., in Block A and the remaining works in the Sewage Farm, Storm Water Works, &c., under the scheme are expected to be carried out during 1119. Although intimation has been received that the Pumping Plant ordered for the Drainage Scheme is despatched, it may not be possible to take delivery of and arrange payment for the same during the current year. For the works including establishment charges and for meeting the cost of the plant a provision of Rs 2·23 lakhs has been included in the next year's budget.

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30. *Civil works and Miscellaneous Public Improvements.* The next year's provision includes Rs 1·72 lakhs for Military buildings, Rs 1·18 lakhs under Town Planning Scheme, Rs 0·53 of a lakh for University Buildings, Rs 0·66 of a lakh for the construction of a Tobacco Bank-shall at Trivandrum and Rs 0·50 of a lakh for acquisition of lands for the Sri Mula Vilasom School, Trivandrum.

A provision of Rs 6·75 lakhs has been included under this head on account of the cost of lands, etc., debited to Railway capital for the Chackai-Thambanur Extension, but not taken over by the Railway as not required for Railway purposes. This is set off by deduction of a similar amount under capital outlay on Railways.

31. *Electrical Schemes.* The next year's provision under this head is Rs 44·26 lakhs. The question of increasing the power supply has been engaging the attention of Government for some time and it is expected that additional expenditure will have to be incurred on this account.

32. *Telephone Schemes.* A sum of Rs 1·75 lakhs has been provided in the next year's budget to extend the scope of the telephone service in new areas.

33. *State Transport Scheme.* A sum of Rs 3 lakhs has been proposed under capital for the ensuing year for the purchase of new vehicles and spare parts, etc. The total outlay on the scheme as at the end of 1119 will be Rs 13·69 lakhs. The scheme is expected to yield a net profit of Rs 6·41 lakhs during the current year and Rs 3·76 lakhs during 1119, the increase this year being mainly under passenger fares and parcel traffic set off to a certain extent by the considerable rise in the price of spare parts, etc.

34. *Coastal Transport.* An allotment of Rs 6·60 lakhs was sanctioned by the Government during the current year, Rs 2·60 lakhs for the building of Coastal sailing vessels and Rs 4 lakhs for the purchase of 4 vessels (Schooners). As a major portion of the expenditure in connection with the building of the vessels is not expected to be incurred during the year, a provision of Rs 2·60 lakhs has been included in the next year's budget for the purpose.

Debt Position.

35. From the statement of assets and liabilities furnished on pages 12 and 13 of the budget estimates, it will be seen that our liabilities at the close of 1119 including the balances at the credit of some of the funds such as the General Reserve Fund, Revenue Reserve Fund, Post-War Reconstruction Fund, etc., which are not repayable at call amount to Rs 10·5 crores. Against this liability, the total assets including the outlay on Productive Works which can be treated as real assets aggregate to Rs 11 crores or Rs 50 lakhs in excess of the total liabilities. It may also be mentioned that the assets do not include the capital outlay on Kodayar Project which is yielding a revenue of only about 2 per cent. Our public debt stands only at Rs 177 lakhs which is less than half of the outlay on Productive Works which can legitimately be financed from borrowed funds. Our debt position may therefore be considered as quite sound.

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